

Identification of the Area

Name or Designation: Bothell/Kirkland

Area 85

Boundaries:

West – Lake Washington and the City of Kenmore

North – Snohomish County

East – I-405 Freeway

South – Highway 522

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Geographic Area 85 consists of neighborhoods and cities located northeast of Lake Washington, which boundaries are generally defined as the King/Snohomish County line to the north, State Route 522 to the south, Interstate 405 to the east, and Lake Washington/City of Kenmore to west. The City of Bothell and Kenmore are located at the northern sector of Area 85, while the City of Kirkland encompasses Area 85's southern end. Located between the City of Bothell and Kenmore to the north, and the City of Kirkland to the south are two neighborhoods known as Juanita and Finn Hill. Much of these neighborhoods are located in unincorporated King County, and as such, are governed by King County zoning and land use guidelines.

Kirkland: Kirkland is located on the eastern shore of Lake Washington, just north of Bellevue and west of Redmond. Kirkland is at once charming and modern. In a half-square mile, it boasts one of the most dynamic downtowns in the state. New office and condominium projects continue to be built at a moderate pace, with older retail buildings being renovated into Art Galleries, Restaurants, and Boutiques along Lake Street, Park Lane, and Central Way. They truly reflect the vitality and strength of the immediate area and the region.

A healthy mix of small business, corporate headquarters, light industrial and manufacturing, and a growing base of high-tech and home-based businesses characterize Kirkland's local economy. A competitive business climate, with no local Business and Occupation (B&O) tax, and high quality of life make Kirkland a desirable location for both local and world-class enterprises.

Each of Kirkland's economic neighborhoods is distinct. Totem Lake has a concentration of high-tech, healthcare, manufacturing and distribution industries. It is also home to Totem Lake Mall. Downtown Kirkland and Carillon Point house an expanding financial and professional services sector attracted to Kirkland's high quality environment and easy access. Neighborhood business districts in Juanita, Houghton and Bridle Trails serve local needs and provide support services to Kirkland regional businesses.

Bothell: Bothell is located at the north end of Lake Washington at the crossroads of State Highways 522 and 527, and Interstate 405. Residents may commute from Bothell to either Seattle or Everett, both of which are 20 minutes away. Bothell was incorporated in 1909 and still retains its historic charm with a small hometown feel - complete with family neighborhoods and parks, churches, educational facilities, and growing businesses.

About half of Bothell is located in King County, with the remaining in Snohomish County

Bothell's Technology Corridor is a series of four modern business parks poised to accommodate producers of the fast growing high technology industries that makes Bothell more than a suburb. Each of these developments—Canyon Park Business Center, North Creek, Quadrant North Creek and Quadrant Monte Villa Center—provides a quality “home” for the businesses located there. The Technology Corridor is home to major employers such as electronics firms ATL and Quinton Instruments; bio-technology firms ICOS and Immunex; telecommunications giant AT&T Wireless; and casual clothing leader Eddie Bauer. These employers are a big draw for an ever larger, more affluent population to Bothell and an expanding service and retail base.

The city's increasing demand for retail, lodging and entertainment will be further enhanced once the University of Washington Bothell/ Cascadia Community College reaches enrollment projections in the next 10 years. Overall growth will fuel expansion and redevelopment of community and neighborhood shopping centers in downtown Bothell, at Canyon Park, and along main arteries such as Beardslee Boulevard, State Routes 522 and 527. Unique regional shopping, such as the entertaining and unique collection of antique and crafts dealers at Bothell's Country Village should also do well.

Kenmore: Over the past decade, Kenmore's population grew to house commuters who drive to work in nearby Seattle, Everett and Bellevue. Many were drawn from the city to Kenmore's large open acreage lots. Some of the neighborhoods, especially those surrounding Inglewood Country Club are quite upscale.

Perhaps Kenmore's most famous resident is Kenmore Air Harbor, the largest seaplane base in the United States. Other than Kenmore Air Harbor, Kenmore Pre-Mix and Plywood Supply, Kenmore's small business community caters mostly to the shopping and service needs of the immediate residential community.

Kenmore consists of long established, predominately single-family neighborhoods. New construction continues at a modest pace, as developable vacant land becomes increasingly rare. Kenmore offers a complete variety of housing, from posh country club estates to suburban ramblers, apartments, condominiums and manufactured housing.

Future commercial expansion may be just a few years away. A mixed-use development called “Lakepointe” is proposed to be constructed by 2005 on the current site of the Kenmore Pre-Mix concrete plant, which is located along the shore of Lake Washington at the mouth of the Sammamish River. The proposed development would include 300,000 square feet of office space, 300,000 square feet of commercial space including a 12-screen cinema, a 150 room hotel with meeting space for 500, 400 apartments, 380 condominiums, 400 senior attached apartments, a 65-slip marina, 3,628 parking stalls in 3.5 million square feet of structured parking, a public waterfront park with a promenade and amphitheater.

Physical Inspection Area:

This year two thirds of Area 85-20 was physically inspected. This represents 200 parcels, approximately 16.54% of the total 1,209 parcels located in Area 85.

Preliminary Ratio Analysis

A Preliminary Ratio Study was done in April of 2003. The study included sales of improved parcels and showed a COV of 14.33%

The study was also repeated after application of the 2003 recommended values. The results are included in the validation section of this report, showing an improvement in the COV from 14.33% to 11.47%.

Scope of Data**Land Value Data:**

Vacant sales from 1/1999 to 1/2002 were given primary consideration for valuing land. Since January of 1999, there were approximately 43 land sales in Area 85. The sales verified as “good” were coded “02” in the Assessor’s records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales considered were verified if possible by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report. Additional information resides in the Assessor’s procedure manual located in the Public Information area of the King County Administration Building.

Land Value***Land Sales, Analysis, Conclusions***

Within Geographic Area 85, there were approximately 43 land sales that occurred during the last four years. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. For land valuation purposes, the assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values. The new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. In many neighborhoods, new condominium and commercial sites are being created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial and multi-family buildings.

The recommended land value for the 2003 Assessment year (taxes payable in 2004) results in an average total change from 2002 assessments of 2.51%. The total land assessed value for the 2002 assessment year for Area 85 was \$734,573,600 and the total recommended land assessed value for the 2003 assessment year is \$757,287,900.

Area 85-10 - Kenmore

Since 1999, there have been a total of four land sales in the Kenmore neighborhood. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Since historic multi-family and commercially zoned land sales in the Kenmore market area had similar selling prices per sq.ft., the assessor used location influence and lot size as the primary indicator for setting land values. Although not presented in the table below, year 1998 had five land sales ranging from \$11.97/SF to \$14.32/SF. Total land values in this neighborhood increased by 2.94%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	010	011410	0446	15,462	1760572	\$200,000	06/14/00	\$12.93	RM900P	Condos= 803555-0000
085	010	011410	0820	32,194	1865520	\$360,000	01/14/02	\$11.18	R12	Merged w/ minor#0815 since sale
085	010	022604	9066	16,440	1858619	\$100,000	12/13/01	\$6.08	R12	Inferior Location. Next to power sub-station.
085	010	012604	0657	35,823	1646152	\$468,000	10/04/99	\$4.50	R12P	Condos= 233500-0000. Only approx. +/- 50% lot buildable.

Area 85-20 – Bothell

Since 1999, there have been a total of ten land sales in the Bothell neighborhood. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Since historic multi-family and commercially zoned land sales in the Bothell market area had similar selling prices per sq.ft., the assessor used location influence and lot size as the primary indicator for setting land values. Total land values in this neighborhood increased by 2.86%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	020	072605	9146	12,750	1820449	\$122,000	05/29/01	\$9.57	R 15	
085	020	062605	9077	10,018	1817870	\$144,950	05/14/01	\$14.47	R15 OP	
085	020	062605	9077	10,018	1922307	\$153,000	11/14/02	\$15.27	R15 OP	
085	020	062605	9078	13,721	1818370	\$148,500	05/14/01	\$10.82	R15 OP	
085	020	072605	9194	17,720	1776948	\$215,000	09/18/00	\$12.13	RD	
085	020	072605	9194	17,720	1852554	\$275,000	11/16/01	\$15.52	RD	
085	020	062605	9038	16,700	1818359	\$230,000	05/14/01	\$13.77	R15 OP	
085	020	072605	9079	37,070	1734511	\$350,000	01/28/00	\$9.44	CG	
085	020	096700	0380	21,600	1722099	\$350,000	11/09/99	\$16.20	BC	
085	020	072605	9126	64,794	1814911	\$990,000	04/30/01	\$15.28	BCP	

Area 85-30 - Finn Hill/North Juanita

Since 1999, there have been a total of four land sales in the Finn Hill/North Juanita neighborhood. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. The assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. Total land values in this neighborhood increased by 4.45%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	030	364910	0044	16,021	1830331	\$154,000	07/13/01	\$9.61	R18	
085	030	202605	9183	57,048	1678871	\$445,796	04/15/99	\$7.81	BNP	
085	030	364910	0530	78,250	1758709	\$775,000	06/13/00	\$9.90	RS7200P	CONDOS=028100-0000
085	030	242604	9020	207,412	1732018	\$1,091,000	01/11/00	\$5.26	R8SO	CONDOS=150790-0000

Area 85-35 - West Totem Lake (West of I-405)

Since 1999, there have been a total of three land sales in the West Totem Lake neighborhood. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. The assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. Total land values in this neighborhood increased by 2.62%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	035	282605	9103	121,363	1810872	\$518,462	04/09/01	\$4.27	FCI	Significant wetlands
085	035	389060	0150	16,719	1871759	\$270,000	02/22/02	\$16.15	PLA 10 B	Has been segged into three parcels #0150, #0152, and #0154.
085	075	292605	9041	90,232	1852225	\$1,350,000	11/15/01	\$14.96	PLA 10 B	Future 150 room hotel

Area 85-40 - Juanita

Since 1999, there have been a total of five land sales in the Juanita neighborhood. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. The assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. Total land values in this neighborhood increased by 5.61%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	040	179150	0125	12,270	1691710	\$90,000	06/14/99	\$7.33	JBD3	
085	040	179150	0135	62,990	1678290	\$200,000	03/30/99	\$3.18	RM 3.6	Slope & stream issues
085	040	322605	9169	16,161	1830863	\$200,000	07/20/01	\$12.38	RS X 8.	
085	040	179150	0315	79,900	1864756	\$1,125,000	01/22/02	\$14.08	JBD 4	Restaurant still in operation due to dated lease. Property has 100 FF, which equals \$11,250 FF.
085	040	607650	0061	143,312	1768735	\$1,025,000	08/02/00	\$7.15	R8SO	

Area 85-45 – Houghton/South Kirkland

Since 1999, there have been a total of two land sales in the Houghton/South Kirkland neighborhood. Many of the land sales are a result of a demolition of an existing building to build new condominiums or office buildings. This neighborhood abuts three similar neighborhoods known as Area 85-55, 85-65 and 85-70, and shares similar zoning and land use attributes. Within these four areas, there are a total of 21 land sales used to determine land values. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Since historic multi-family and commercially zoned land sales had similar selling prices per sq.ft., the assessor used location influence and lot size as an indicator for setting land values. Total land values in this neighborhood increased by **-0.19%**.

There continues to be a very high demand for prime office and condominium sites with close proximity to downtown Kirkland and Lake Washington. Current prime commercial and multi-family zoned lots close to Kirkland's CBD and Lake Washington are selling between +/-30.00/SF to +/- \$62.00/SF. (Please refer to land sales presented in similar neighborhoods of 85-55, 85-65, and 85-70).

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	045	123890	0085	37,938	1766800	\$2,370,000	07/26/00	\$62.47	PLA5-B	
085	045	250550	0145	25,782	1675490	\$1,240,000	03/29/99	\$48.10		Multi-Parcel Sale

Area 85-55 - NW Kirkland

Since 1999, there has been only one land sale in Area 85-55. This land sale was a result of a demolition of an existing building to build new office buildings. This neighborhood abuts three similar neighborhoods known as Area 85-45, 85-65 and 85-70, and shares similar zoning and land use attributes. Within the four areas, there are a total of 21 land sales used to determine land values. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Since historic multi-family and commercially zoned land sales had similar selling prices per sq.ft., the assessor used location influence and lot size as an indicator for setting land values. Total land values in this neighborhood increased by **6.79%**.

There continues to be a very high demand for prime office and condominium sites within close proximity to downtown Kirkland and Lake Washington. Current prime commercial and multi-family zoned lots close to Kirkland's CBD and Lake Washington are selling between +/-30.00/SF to +/- \$62.00/SF. (Please refer to land sales presented in similar neighborhoods of 85-45, 85-65, and 85-70).

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	055	388580	4650	10,445	1754982	\$500,000	05/19/00	\$47.87	PR3.6	Multi-Parcel Sale Now Condo = 857905-0000

Area 85-60 - SE Kirkland

No land sales have occurred in this neighborhood since 1998, and as a result, land values have not changed for many years. The assessor used GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. Total land values in this neighborhood increased by 0.32%.

Area 85-65 - Kirkland CBD

Since 1999, there have been a total of nine land sales in the Kirkland CBD neighborhood. Many of the land sales are a result of a demolition of an existing building to build new condominiums or office buildings. This neighborhood abuts three similar neighborhoods known as Area 85-45, 85-55 and 85-70, and as a result share similar zoning and land use attributes. Within the four areas, there are a total of 21 land sales used to determine land values. The assessor used recent historic sales (4 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Since historic multi-family and commercially zoned land sales in the Kirkland market area had similar selling prices per sq.ft., the assessor used location influence and lot size as an indicator for setting land values. Total land values in this neighborhood increased by 2.33%.

There continues to be a very high demand for prime office and condominium sites within close proximity to downtown Kirkland and Lake Washington. Current prime commercial and multi-family zoned lots close to Kirkland's CBD and Lake Washington are selling between \$30.00/SF and \$62.00/SF. (Please refer to land sales presented in similar neighborhoods of 85-45, 85-55, and 85-70).

Waterfront land: Waterfront properties are typically valued on a price per front foot. After conducting a thorough search of comparable multi-family and commercial waterfront land sales within the immediate Kirkland market area, the assessor was able to locate two waterfront land sales since 1998. Both land sales took place in area 85-70, directly south of Kirkland's CBD. The two waterfront land sales had front foot values ranging from \$22,000 a front foot to \$26,000 a front foot. In the assessors land analysis, \$20,000 a front foot was used for setting waterfront land values, whereas \$15,000 per front foot was used in prior years.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	065	180790	0415	9,988	1725560	\$310,000	11/24/99	\$31.04	PLA 6-D	HAS BEEN SEGGED SINCE SALE (#0415 & #0420)
085	065	212020	0170	8,000	1690949	\$336,471	06/08/99	\$42.06	PLA 6-D	CONDOS = 261732-0000
085	065	765490	0210	7,200	1664010	\$385,000	01/19/99	\$53.47	PLA 6 A	
085	065	390010	1125	20,008	1773848	\$500,000	08/15/00	\$24.99	CBD-8	
085	065	407070	0470	17,392	1792122	\$510,000	12/08/00	\$29.32	PLA6-D	
085	065	388580	0360	21,326	1777580	\$680,000	09/21/00	\$31.89	BC	
085	065	388580	8460	14,025	1743060	\$750,000	03/17/00	\$53.48	PLA7A	
085	065	082505	9202	19,828	1840245	\$970,000	08/31/01	\$48.92	PLA 6 D	10 unit Condos 253898-0000
085	065	388580	7590	31,350	1772287	\$1,295,135	08/24/00	\$41.31	CBD6	CONDOS = 785345-0000

Area 85-70 - SW Kirkland

Since 1999, there have been a total of two land sales in the SW Kirkland neighborhood. Many of the land sales are a result of a demolition of an existing building to build new condominiums or office buildings. This neighborhood abuts three similar neighborhoods known as Area 85-45, 85-55 and 85-65, and as a result share similar zoning and land use attributes. Within the four areas, there are a total of 21 land sales used to determine land values. More sales this year and the use of GIS (Geographic Information System) helped us value the area properly. Multi-family and commercially zoned land had similar selling prices per sq.ft. The assessor used location influence and lot size as an indicator for setting land values. Total land values in this neighborhood increased by 0.77%.

There continues to be a very high demand for prime office and condominium sites within close proximity to downtown Kirkland and Lake Washington. Current prime commercial and multi-family zoned lots close to Kirkland's CBD and Lake Washington are selling between \$30.00/SF and \$62.00/SF. (Please refer to land sales presented in similar neighborhoods of 85-45, 85-55, and 85-65).

Waterfront land: Waterfront properties are typically valued on a price per front foot. After conducting a thorough search of comparable multi-family and commercial waterfront land sales within the immediate Kirkland market area, the assessor was able to locate two waterfront land sales since 1998. Both land sales took place in area 85-70, directly south of Kirkland's CBD. The two waterfront land sales had front foot values ranging from \$22,000 a front foot to \$26,000 a front foot. In the assessors land analysis, \$20,000 a front foot was used for setting waterfront land values, whereas \$15,000 per front foot was used in prior years.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	070	347180	0020	13,450	1761345	\$870,000	06/16/00	\$64.68	RM 3.6	HAS BEEN MERGED INTO ONE PARCEL (#0020 + #0035 = #0020)
085	070	410450	0070	9,550	1847015	\$1,300,000	10/15/01	\$136.13	WD III	Waterfront: +/-50 FRONT FEET = \$26,000 PER FRONT FOOT.

Area 85-75 - East Kirkland

Since 1999, there have been a total of three land sales in the East Kirkland neighborhood. More sales this year and the use of GIS (Geographic Information System) helped us value the area properly. The assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. Total land values in this neighborhood increased by 3.56%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
085	075	388690	0855	7,700	1673919	\$240,000	03/18/99	\$31.17	RM 3.6	HAS BEEN SEGGED SINCE SALE (#0855 + #0860)
085	075	388690	0655	13,200	1590872	\$280,000	01/22/99	\$21.21	RM 3.6	CONDOS = 813792-0000
085	075	388690	1025	56,350	1711137	\$732,500	09/08/99	\$13.00	RM 3.6	Includes APN #0985

Improved Parcel Total Values:

Economic Considerations:

During the past five years, the Puget Sound real estate market place was very active. The eastside market area, especially, experienced rapidly appreciating property values unprecedented in recent memory. This growth was spurred on by new high-tech “dot-com.” startup companies, along with an increasing presence in software, service industries, finance, and aerospace.

During 2002, the Puget Sound economy, along with the national economy, dipped into a moderate recession. The September 11th terrorist attacks on the WTC did not help the economy either, and may have prolonged the recession.

Area market report surveys indicate that overall office vacancy rates on the Eastside (Bellevue, Kirkland, Redmond) ranged between +/-11% - 12%, with downtown Bellevue office vacancy rates around +/-18%, and the Kirkland office vacancy hovering around +/-13%. The reported vacancy rates do not include available subleased office space. For assessment purposes, the overall Kirkland vacancy rate was estimated between 7% and 15%, with Kirkland office vacancy rates ranging between +/-10% to +/-15%. The City of Bothell, City of Kenmore, and the neighborhood of Juanita, experienced a slight increase in office vacancy rates, while the overall vacancy rates remained relatively stable from the previous year.

During 2002, lease rates for office, retail, and industrial properties, remained relatively stable within the City of Bothell, City of Kenmore, and neighborhood of Juanita, while Kirkland experienced a slight to moderate drop in asking office lease rates. Kirkland’s retail and industrial asking lease rates remained relatively unchanged from that of last year.

Sales comparison approach model description

The model for sales comparison was based on four data sources from the Assessor’s records, occupancy codes, age, condition and size. A search was made on data that most closely fit a subject property within each geographic area.

Sales comparison calibration

The search for comparable sales was within each geographic neighborhood and expanding to include the surrounding neighborhoods within the geographic area.

Cost approach model description

The Marshall & Swift Commercial Estimator was automatically calculated on all properties. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area.

Cost calibration

Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the parcel and the computerized valuation model supplied by Marshall & Swift.

Income capitalization approach model description

Income tables were developed for each of the eleven neighborhoods. The tables are for the following property types: Retail, Industrial Engineering Buildings, Medical and Dental Offices,

Discount Stores Storage Garage, Basement Finish, Restaurant, Storage Warehouse, Office, and an exclusion table indicating property uses not covered by an income table. Some property uses, such as offices, have multiple tables depending upon the net rentable area. There are a total of 197 tables. All tables are included.

Income approach calibration

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records.

Income parameters were derived from the market place through the listed fair market sales as well as through quarterly market surveys, published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Corporate Real Estate Websites), and opinions expressed by real estate professionals active in the market.

Vacancy rates used were derived mainly from published sources tempered by personal observation.

Expense ratios were estimated based on industry standards and personal knowledge of the area's rental practices.

Capitalization rates were determined by personal analysis of the sales in the area on sold properties where there was income information available, and published market surveys, such as CoStar and Korpaz.

Area 85-10 - Kenmore

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$15.00 to \$23.00	5% - 8%	\$5.50/sf - \$6.50/sf	9.00 % to 10.00%
Retail/Mixed Use	\$8.00 to \$16.00	5%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.20	5%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$15.00 to \$23.00 per square foot of net rentable area. The offices have annual expenses ranging from \$5.50/sf to \$6.50/sf of net rentable area. Overall capitalization rates range from 9% to 10%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$8.00 to \$16.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.20 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 5%. Office buildings experienced a slightly higher vacancy and collection loss ranging from 5% to 8% depending on the size of office building.

Area 85-20 – Bothell

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$15.00 to \$23.00	5% - 8%	\$5.50/sf - \$6.50/sf	9.00 % to 10.00%
Retail/Mixed Use	\$8.00 to \$16.00	5%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.20	5%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$15.00 to \$23.00 per square foot of net rentable area. The offices have annual expenses ranging from \$5.50/sf to \$6.50/sf of net rentable area. Overall capitalization rates range from 9% to 10%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$8.00 to \$16.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.20 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 5%. Office buildings experienced a slightly higher vacancy and collection loss ranging from 5% to 8% depending on the size of office building.

Area 85-30 - Finn Hill/North Juanita

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$16.00 to \$24.00	5% - 7%	\$5.50/sf - \$6.50/sf	9.00 % to 10.00%
Retail/Mixed Use	\$9.00 to \$17.00	5%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.20	5%	10%	9.50 % to 10.00%

Typically, office annual rents range from \$16.00 to \$24.00 per square foot of net rentable area. The offices have annual expenses ranging from \$5.50/sf to \$6.50/sf of net rentable area. Overall capitalization rates range from 9% to 10%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$9.00 to \$17.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.20 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 5%. Office buildings experienced a slightly higher vacancy and collection loss ranging from 5% to 7% depending on the size of office building.

Area 85-35 - West Totem Lake (West of I-405)

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$11.00 to \$24.00	8%	\$6.25/sf	8.75% to 9.75%
Retail/Mixed Use	\$11.00 to \$19.00	6%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.80	6%	10%	9.25 % to 10.00%

Typically, office annual rents range from \$11.00 to \$24.00 per square foot of net rentable area, with annual office expenses estimated at \$6.25/sf of net rentable area. Overall capitalization rates range from 8.75% to 9.75%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.80 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.25% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 6%. Office buildings experienced a slightly higher vacancy and collection loss of 8%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Area 85-40 - Juanita

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$13.00 to \$21.00	8%	\$6.25/sf	8.75 % to 9.75%
Retail/Mixed Use	\$11.00 to \$19.00	6%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$8.00	6%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$13.00 to \$21.00 per square foot of net rentable area, with annual office expenses estimated at \$6.25/sf of net rentable area. Overall capitalization rates range from 8.75% to 9.75%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$8.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.00% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 6%. Office buildings experienced a slightly higher vacancy and collection loss of 8%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Area 85-45 – Houghton/South Kirkland

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per S q.Ft./%	Capitalization Rate %
Office	\$12.00 to \$25.00	10% - 13%	\$6.50/sf - \$7.00/sf	7.75 % to 9.50%
Retail/Mixed Use	\$11.00 to \$19.00	8%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$8.00	6% - 7%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$12.00 to \$25.00 per square foot of net rentable area. The offices have annual expenses ranging from \$6.50/sf to \$7.00/sf of net rentable area. Overall capitalization rates range from 7.75% to 9.50%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$8.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.00% to 10%.

For Retail/Mixed-Use buildings, the vacancy and credit loss was estimated at 8%. Industrial/Warehouse use had a vacancy and collection loss range of 6% to 7%. Office buildings experienced a higher vacancy and collection loss ranging from 10% to 13% depending on the size of office building.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Area 85-55 - NW Kirkland

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$13.00 to \$25.00	11%	6.75/sf	7.75 % to 9.50%
Retail/Mixed Use	\$11.00 to \$19.00	6%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.80	6%	10%	9.25 % to 10.00%

Typically, office annual rents range from \$13.00 to \$25.00 per square foot of net rentable area, with annual office expenses estimated at \$6.75/sf of net rentable area. Overall capitalization rates range from 7.75% to 9.50%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.80 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 6%. Office buildings experienced a higher vacancy and collection loss of 11%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Area 85-60 - SE Kirkland

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$11.00 to \$24.00	10%	\$6.75/sf	8.00 % to 9.75%
Retail/Mixed Use	\$11.00 to \$19.00	6%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$7.80	6%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$11.00 to \$24.00 per square foot of net rentable area, with annual office expenses estimated at \$6.75/sf. of net rentable area. Overall capitalization rates range from 8% to 9.75%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents range from \$4.20 to \$7.80 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.00% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 6%. Office buildings experienced a higher vacancy and collection loss of 10%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Area 85-65 - Kirkland CBD

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$16.00 to \$28.00	10% - 14%	\$6.00/sf - \$7.00/sf	7.75 % to 9.50%
Retail/Mixed Use	\$13.00 to \$23.00	8%	10%	8.50 % to 9.75%
Industrial/Whse.	\$4.80 to \$8.40	7%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$16.00 to \$28.00 per square foot of net rentable area. The offices have annual expenses ranging from \$6.00/sf to \$7.00/sf of net rentable area. Overall capitalization rates range from 7.75% to 9.50%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$13.00 to \$23.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 8.50% to 9.75%.

Industrial/Warehouse rents range from \$4.80 to \$8.40 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.00% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 7% and 8%, respectively. Office buildings experienced a higher vacancy and collection loss ranging from 10% to 14% depending on the size of office building.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

85-70 - East Kirkland

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$17.00 to \$28.00	10%-15%	\$6.50/sf - \$7.00/sf	7.75 % to 9.50%
Retail/Mixed Use	\$16.00 to \$24.00	8%	10%	8.50 % to 9.75%
Industrial/Whse.	\$4.80 to \$8.40	7%	10%	9.25 % to 10.00%

Typically, office annual rents range from \$17.00 to \$28.00 per square foot of net rentable area. The offices have annual expenses ranging from \$6.50/sf to \$7.00/sf of net rentable area. Overall capitalization rates range from 7.75% to 9.50%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$16.00 to \$24.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 8.50% to 9.75%.

Industrial/Warehouse rents ranged from \$4.80 to \$8.40 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.25% to 10%.

For Retail/Mixed-Use buildings, the vacancy and credit loss was estimated at 8%, while Industrial/Warehouse use had a vacancy and collection loss range of 7%. Office buildings experienced a higher vacancy and collection loss ranging from 10% to 15% depending on the size of office building.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Kirkland Area 85-75

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office	\$11.00 to \$24.00	7%	\$6.75/sf	8.00 % to 9.75%
Retail/Mixed Use	\$11.00 to \$19.00	7%	10%	9.00 % to 10.00%
Industrial/Whse.	\$4.20 to \$8.00	6%	10%	9.00 % to 10.00%

Typically, office annual rents range from \$11.00 to \$24.00 per square foot of net rentable area, with annual office expenses of \$6.75/sf. of net rentable area. Overall capitalization rates range from 8.00% to 9.75%.

Typical Retail and Mixed Use Retail have annual rents ranging from \$11.00 to \$19.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9% to 10%.

Industrial/Warehouse rents ranged from \$4.20 to \$8.00 per square foot of net rentable area. Operating expenses were estimated at 10%, with capitalization rates ranging from 9.00% to 10%.

For Retail/Mixed-Use and Industrial/Warehouse use, the vacancy and credit loss was estimated at 6% and 7%, respectively. Office buildings experienced a higher vacancy and collection loss at 10%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed by the area appraisers for correctness of the table application before final values were selected. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but falls within an acceptable range of variation from the established guideline. Final value selects were reviewed by the Senior Appraisers before posting.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

The new assessment level is 94.7%. The standard statistical measures of valuation performance are all within IAAO guidelines and are presented both in the Executive Summary and in the 2002 and 2003 Ratio Analysis charts included in this report.

The total assessed value for the 2002 assessment year for Area 85 was \$1,428,624,750. The total recommended assessed value for the 2003 assessment year is \$1,449,153,700.

Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in an average total change from the 2002 assessments of +1.44.

	2002 Total	2003 Total	\$ Increase	% Change
Total Value	\$1,428,624,750	\$1,449,153,700	\$20,528,950	1.44%

Note: More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the assessor's office.

Present Improvement Value Calculation for Area 85

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																															
East Crew	1/1/2002	4/9/2003	1/1/00 - 12/31/02																															
Area	Appr ID:	Prop Type:	Trend used?: Y / N																															
085-000	STRO	Improvement	N																															
SAMPLE STATISTICS																																		
Sample size (n)	39	<div><div>Ratio Frequency</div><table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.6</td><td>1</td></tr><tr><td>0.7</td><td>1</td></tr><tr><td>0.8</td><td>4</td></tr><tr><td>0.9</td><td>13</td></tr><tr><td>1.0</td><td>12</td></tr><tr><td>1.1</td><td>5</td></tr><tr><td>1.2</td><td>2</td></tr><tr><td>1.3</td><td>1</td></tr><tr><td>1.4</td><td>0</td></tr><tr><td>1.5</td><td>0</td></tr><tr><td>1.6</td><td>0</td></tr><tr><td>1.7</td><td>0</td></tr><tr><td>1.8</td><td>0</td></tr><tr><td>1.9</td><td>0</td></tr></tbody></table></div>			Ratio	Frequency	0.6	1	0.7	1	0.8	4	0.9	13	1.0	12	1.1	5	1.2	2	1.3	1	1.4	0	1.5	0	1.6	0	1.7	0	1.8	0	1.9	0
Ratio	Frequency																																	
0.6	1																																	
0.7	1																																	
0.8	4																																	
0.9	13																																	
1.0	12																																	
1.1	5																																	
1.2	2																																	
1.3	1																																	
1.4	0																																	
1.5	0																																	
1.6	0																																	
1.7	0																																	
1.8	0																																	
1.9	0																																	
Mean Assessed Value	1,059,800																																	
Mean Sales Price	1,212,400																																	
Standard Deviation AV	1,261,094																																	
Standard Deviation SP	1,465,021																																	
ASSESSMENT LEVEL																																		
Arithmetic mean ratio	0.906																																	
Median Ratio	0.906																																	
Weighted Mean Ratio	0.874																																	
UNIFORMITY																																		
Lowest ratio	0.5948																																	
Highest ratio:	1.2210																																	
Coefficient of Dispersion	10.68%																																	
Standard Deviation	0.1298																																	
Coefficient of Variation	14.33%																																	
Price-related Differential	1.04																																	
RELIABILITY																																		
95% Confidence: Median																																		
Lower limit	0.840																																	
Upper limit	0.953	These figures reflect current sales and previous assessed values.																																
95% Confidence: Mean																																		
Lower limit	0.865																																	
Upper limit	0.947																																	
SAMPLE SIZE EVALUATION																																		
N (population size)	765																																	
B (acceptable error - in decimal)	0.05																																	
S (estimated from this sample)	0.1298																																	
Recommended minimum:	26																																	
Actual sample size:	39																																	
Conclusion:	OK																																	
NORMALITY																																		
Binomial Test																																		
# ratios below mean:	20																																	
# ratios above mean:	19																																	
z:	0																																	
Conclusion:	Normal*																																	
*i.e., no evidence of non-normality																																		

Merge Improvement Ratio Calculation for Area 85

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:															
East Crew	1/1/2003	4/9/2003	1/1/00 - 12/31/02															
Area	Appr ID:	Prop Type:	Trend used?: Y / N															
085-000	STRO	Improvement	N															
SAMPLE STATISTICS																		
Sample size (n)	39	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.8-0.9</td><td>2</td></tr><tr><td>0.9-1.0</td><td>10</td></tr><tr><td>1.0-1.1</td><td>18</td></tr><tr><td>1.1-1.2</td><td>4</td></tr><tr><td>1.2-1.3</td><td>4</td></tr><tr><td>1.3-1.4</td><td>1</td></tr></tbody></table>			Ratio	Frequency	0.8-0.9	2	0.9-1.0	10	1.0-1.1	18	1.1-1.2	4	1.2-1.3	4	1.3-1.4	1
Ratio	Frequency																	
0.8-0.9	2																	
0.9-1.0	10																	
1.0-1.1	18																	
1.1-1.2	4																	
1.2-1.3	4																	
1.3-1.4	1																	
Mean Assessed Value	1,148,300																	
Mean Sales Price	1,212,400																	
Standard Deviation AV	1,358,319																	
Standard Deviation SP	1,465,021																	
ASSESSMENT LEVEL																		
Arithmetic mean ratio	0.952	<div>These figures reflect current sales and current assessed values.</div>																
Median Ratio	0.930																	
Weighted Mean Ratio	0.947																	
UNIFORMITY																		
Lowest ratio	0.7424																	
Highest ratio:	1.2679																	
Coefficient of Dispersion	8.63%																	
Standard Deviation	0.1092																	
Coefficient of Variation	11.47%																	
Price-related Differential	1.01																	
RELIABILITY																		
95% Confidence: Median																		
Lower limit	0.905																	
Upper limit	0.986																	
95% Confidence: Mean																		
Lower limit	0.918																	
Upper limit	0.987																	
SAMPLE SIZE EVALUATION																		
N (population size)	765																	
B (acceptable error - in decimal)	0.05																	
S (estimated from this sample)	0.1092																	
Recommended minimum:	19																	
Actual sample size:	39																	
Conclusion:	OK																	
NORMALITY																		
Binomial Test																		
# ratios below mean:	20																	
# ratios above mean:	19																	
z:	0																	
Conclusion:	Normal*																	
*i.e., no evidence of non-normality																		

Improvement Sales for Area 85 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
085	010	011410	0560	8,988	1895996	\$926,250	06/27/02	\$103.05	OFFICE BUILDING	BCP	1	2	
085	010	011410	0895	5,307	1895621	\$1,150,000	06/26/02	\$216.69	SARVIS MOBILE HOME PARK	RM1800P	1	2	
085	010	112604	9153	1,813	1758163	\$400,000	06/07/00	\$220.63	OFF/SHOP	CGP	1	2	
085	010	311078	0120	0	1812542	\$58,000	04/19/01	\$0.00	BOAT SLIP		1	2	
085	010	311078	0130	0	1756980	\$50,000	05/30/00	\$0.00	HARBOUR VILLAGE MARINA CONDO		1	2	
085	010	311078	0240	0	1862208	\$42,000	01/09/02	\$0.00	BOAT SLIP-HARBOUR VILLAGE MARINA		1	2	
085	010	311078	0270	0	1774742	\$40,000	08/29/00	\$0.00	HARBOUR VILLAGE MARINA CONDO		1	2	
085	010	311078	1200	0	1739735	\$24,950	03/02/00	\$0.00	HARBOUR VILLAGE MARINA	M	1	2	
085	010	618170	0040	1,976	1848564	\$275,000	10/22/01	\$139.17	OFFICE/CONV RES	BCP	1	2	
085	010	618170	0091	2,700	1781402	\$325,000	10/13/00	\$120.37	JORVE ROOFING		1	2	
085	010	794630	0101	1,526	1749364	\$600,000	04/20/00	\$393.18	JIFFY LUBE AND TUNE	BCP	1	2	
085	020	062605	9032	6,712	1808679	\$925,000	03/27/01	\$137.81	COLLIER-VINE PROF BLDG	OP	1	2	
085	020	062605	9134	25,195	1785031	\$1,900,000	10/26/00	\$75.41	RITE AID AND LIQUOR STORE	R15 OP	2	2	
085	020	072605	9318	3,020	1741271	\$445,050	03/13/00	\$147.37	CONVERTED OFFICE/RESIDENCE	R15OP	1	2	
085	020	082605	9100	792	1880695	\$200,000	04/10/02	\$252.53	OFFICE & ESPRESSO STAND	CG	1	2	
085	020	082605	9112	884	1735220	\$1,775,000	01/20/00	\$2,007.92	RIVERSIDE MOBILE HOME PARK	RM4.2	1	2	
085	020	096700	0006	3,589	1771453	\$492,000	08/21/00	\$137.09	RETAIL	BC	2	2	
085	020	096700	0025	3,360	1738546	\$300,000	02/28/00	\$89.29	STOREFRONTS - VACANT	BC	2	2	
085	020	096700	0246	1,600	1731813	\$200,000	01/11/00	\$125.00	RETAIL STORE	BC	1	2	
085	020	096700	0420	1,838	1775862	\$203,500	09/11/00	\$110.72	OFFICE	BC	1	2	
085	030	192605	9111	3,083	1739593	\$475,000	02/29/00	\$154.07	CHIROPRACTOR & DENTAL	BNP	1	2	
085	030	192605	9111	3,083	1858659	\$630,000	12/20/01	\$204.35	CHIROPRACTOR & DENTAL	BNP	1	2	
085	030	202605	9146	9,348	1863763	\$1,325,000	01/18/02	\$141.74	PARTIES FOR LESS	BNP	1	2	
085	040	607650	0422	6,800	1777472	\$1,175,000	09/18/00	\$172.79	JUANITA PARK PLAZA	BNP	1	2	
085	045	012000	0160	5,066	1921700	\$1,100,000	11/12/02	\$217.13	DIRECT MAILING SOLUTIONS	LI	1	2	
085	045	250550	0140	3,636	1783658	\$1,250,000	10/19/00	\$343.78	PROGRESSIVE MARKETING	PR5.0	1	2	
085	045	250550	0145	14,951	1910438	\$2,950,000	09/10/02	\$197.31	SKILLINGSTAD CONST	PR	1	2	
085	055	085600	1405	2,850	1915203	\$490,000	10/08/02	\$171.93	ADULT CARE FAC./LAVENDER LANE	RS7.2	2	2	
085	055	388580	3340	1,388	1883380	\$455,000	04/30/02	\$327.81	EASTLAKE REAL ESTATES OFFICE	PR3.6	1	2	
085	065	017600	0030	23,533	1841771	\$6,150,000	09/17/01	\$261.34	MOSS BAY COMMONS	CBD-B	1	2	
085	065	062505	9029	24,138	1773509	\$5,968,815	08/30/00	\$247.28	MARINA PARK	CBDA	1	2	
085	065	082505	9164	3,666	1762870	\$462,500	06/30/00	\$126.16	OFFICES	CBD-B	1	2	
085	065	082505	9196	8,896	1899861	\$1,850,000	07/25/02	\$207.96	KIRKLAND RETAIL/OFFICE/REST.	CBD-B	1	2	
085	065	124400	0050	10,410	1810696	\$2,200,000	04/09/01	\$211.34	WATER FRONT DOCK STORE	CBD-B	3	2	
085	065	124450	0230	4,888	1798350	\$1,475,000	01/11/01	\$301.76	KIRKLAND LINE RETAIL		1	2	
085	065	124870	0160	11,700	1880173	\$2,875,000	04/12/02	\$245.73	OFFICE BUILDING	PLA-4	1	2	
085	065	390010	1026	7,163	1895847	\$1,490,000	07/01/02	\$208.01	OLYMPIC BLDG	CBDB	1	2	
085	065	390010	1045	1,816	1737256	\$480,000	02/18/00	\$264.32	OFFICE	CBD-8	1	2	
085	075	332605	9164	54,500	1747242	\$4,150,700	04/06/00	\$76.16	NW BUILDING CENTER	LI	1	2	

Exception Parcels

Major	Minor	Notes
012000	0361	Excess Land Included
097000	0171	Assoc. Pkng. For Minor #0120
112000	0160	Excess Land Included
112604	9091	Excess Land Included
112604	9118	Excess Land Included
112604	9153	Excess Land Included
112604	9167	Includes 2/3 interest in tract "A" (70,723 Sq.Ft.)
112604	9168	Includes 1/3 interest in tract "A" (70,723 Sq.Ft.)
123400	0640	Assoc. Pkng. On Minor #0650
124230	0005	Excess Land Included
172605	9021	Estimated Value includes Excess Land
187500	0025	Assoc. Pkng. For 082605-9087
605760	0101	Estimated Value includes Excess Land
618170	0127	Assoc. Pkn. On Minor #0145
618170	0275	Value includes Excess Land
011410	0660	Assoc. Pkng. On Minor #0650
011410	0895	Mobile Home Park: Value based on price per pad.
011410	0900	Parcel includes Restaurant and Daycare Value.
011410	1217	Group home estimated Mkt. (\$150/SF)
011410	0473	\$1,000 carried on improvements
011410	0475	Estimated Value includes Excess Land
011410	0480	Estimated Value includes Excess Land
011410	0500	Mobile Home Park: Value based on price per pad.
011410	0640	Mobile Home Park: Value based on price per pad.
011410	0650	Imps. Carried on Minor #0660
011410	0657	\$1,000 carried on improvements
011410	0662	\$1,000 carried on improvements
011410	0664	Mini-Lube facility estimated at market.
011410	0673	Value includes Excess Land
011410	0885	Value includes Excess Land
011410	1211	\$1,000 carried on improvements
012000	0160	Estimated Value includes Excess Land
012000	0200	\$1,000 carried on improvements
012000	0220	\$1,000 carried on improvements
012000	0361	Estimated Value includes Excess Land
062605	9043	PARKING FOR IMPS CARRIED ON MINOR #9123
062605	9023	Imp. also on tax lot #0134.
062605	9031	Imp carried on 072605-9180
062605	9037	\$1,000 carried on improvements
062605	9120	PARKING FOR IMPS CARRIED ON MINOR #9023
062605	9134	PARKING FOR IMPS CARRIED ON MINOR #9023
072605	9037	Estimated Value includes Excess Land
072605	9004	Estimated Value includes Excess Land
072605	9083	Estimated Value includes Excess Land
072605	9096	Estimated Value includes Excess Land
072605	9096	\$1,000 carried on improvements
072605	9109	Estimated Value includes Excess Land
072605	9126	\$1,000 carried on improvements
072605	9157	\$1,000 carried on improvements
072605	9176	Estimated Value includes Excess Land
072605	9180	Associated Parking on APN# 062605-9031, 097000-0055, 097000-0010
072605	9221	Estimated Value includes Excess Land
072605	9225	Estimated Value includes Excess Land
072605	9310	Estimated Value includes Excess Land
072605	9368	\$1,000 carried on improvements
072605	9401	Estimated Value includes Excess Land
072605	9406	\$1,000 carried on improvements
082505	9226	15% of Associated parking on minor #9014 included in value.
082505	9227	32% of Associated parking on minor #9014 included in value.
082505	9228	23% of Associated parking on minor #9014 included in value.
082505	9229	10% of Associated parking on minor #9014 included in value.
082505	9230	20% of Associated parking on minor #9014 included in value.

082505	9257	\$1,000 carried on improvements
082605	9020	Estimated Value includes Excess Land
082605	9307	Estimated Value includes Excess Land
082605	9034	Estimated Value includes Excess Land
082605	9035	Associated parking on minor #9203
082605	9072	Estimated Value includes Excess Land
082605	9100	Estimated Value includes Excess Land
082605	9102	Estimated Value includes Excess Land
082605	9104	Estimated Value includes Excess Land
082605	9112	Mobile Home Park: Value based on price per pad.
082605	9131	Includes minor#9240
082605	9155	Estimated Value includes Excess Land
082605	9160	\$1,000 carried on improvements
082605	9165	Estimated Value includes Excess Land
082605	9177	\$1,000 carried on improvements
082605	9203	Includes minor #9035
082605	9271	Estimated Value includes Excess Land
096110	0005	Mobile Home Park: Value based on price per pad.
096700	0005	Parking on minor #0065
096700	0006	Parking on minor #0065
096700	0020	Parking on minor #0055
096700	0025	Parking on minor #0050
096700	0036	Parking on minor #0040
096700	0040	Imps on minor #0036
096700	0050	Parking for minor #0025
096700	0055	Imps on minor #0020
096700	0060	Parking for minor #0006
096700	0065	Imps carried on minor #0005
096700	0070	Parking on minor #0085
096700	0085	Imps on minor #0070
096700	0200	Imps located on minor #0251
096700	0210	Imp under minor #0240
096700	0220	Parking for imp on minor #0235
096700	0230	Parking on minor lot #0220
096700	0230	Parking lot on minor #0210
096700	0230	Estimated Value includes Excess Land
096700	0235	Parking on minor lot #0220
096700	0240	Parking on minor lot #0220
096700	0500	Estimated Value includes Excess Land
112604	9015	\$1,000 carried on improvements
112604	9115	Estimated Value includes Excess Land
112604	9137	Estimated Value includes Excess Land
112604	9153	Estimated Value includes Excess Land
112604	9163	\$1,000 carried on improvements
112604	9164	\$1,000 carried on improvements
112604	9165	\$1,000 carried on improvements
123890	0115	\$1,000 carried on improvements
124400	0050	Associated parking on minor #0075
124400	0120	\$1,000 carried on improvements
124500	1110	Estimated Value includes Excess Land
172505	9130	\$1,000 carried on improvements
179150	0005	Estimated Value includes Excess Land
179150	0100	Estimated Value includes Excess Land
179150	0315	Estimated Value includes Excess Land
180790	0170	Estimated Value includes Excess Land
192480	0065	Includes minor #0070
192605	9107	Estimated Value includes Excess Land
192605	9199	Estimated Value includes Excess Land
192605	9209	Estimated Value includes Excess Land
250550	0151	\$1,000 carried on improvements
264950	0005	Estimated Value includes Excess Land
282605	9032	Estimated Value includes Excess Land
302605	9078	Estimated Value includes Excess Land
302605	9148	Assoc. Pkng. On minor #9214
302605	9162	Assoc. parking on lot #9136
302605	9271	Estimated Value includes Excess Land

332605	9313	Estimated Value includes Excess Land
332605	9243	Estimated Value includes Excess Land
364910	0510	Estimated Value includes Excess Land
381550	0185	Assoc. parking on minor #0190
388580	4440	Estimated Value includes Excess Land
388580	0880	Estimated Value includes Excess Land
388580	2835	Assoc. parking on minor #2905
388580	2875	Estimated Value includes Excess Land
388580	4650	Land Sale at \$47.87 SF (Minor #4550, and #4660)
388690	1215	Included minor #1217
389060	0180	Estimated Value includes Excess Land
389310	0962	Estimated Value includes Excess Land
389310	0926	Estimated Value includes Excess Land
416410	0070	Estimated Value includes Excess Land
416410	0015	Estimated Value includes Excess Land
416410	0225	Mobile Home Park: Estimated Value based on price per pad.
416410	0265	Mobile Home Park: Estimated Value based on price per pad.
416410	0300	\$1,000 carried on improvements
416410	0305	\$1,000 carried on improvements
517270	0030	\$1,000 carried on improvements
563450	0858	Estimated Value included Flat Value for gas pumps.
607650	0141	Estimated Value includes Excess Land
615790	0096	Estimated Value includes Excess Land
755830	0180	Estimated Value includes Excess Land
794630	0100	Imp. Value carried on minor #0105
794630	0105	Associated parking on minor #0100
794630	0120	Estimated Value includes Excess Land
794630	0135	Estimated Value includes Excess Land
919410	0015	Mobile Home Park: Value based on price per pad.
945720	0050	Estimated Value includes Excess Land